



Appraisal Engagement Guidelines

UAD requires that **Granite State Appraisal Management (GSAM)** be listed on the Signature Page. Qualifying Origination Appraisals must be delivered in the XML format. Please review the attached PDF for assignment instructions. If you do not receive the assignment instructions attachment, notify **GSAM** immediately PRIOR to starting the appraisal.

This is an appraisal engagement from **GSAM**. Please call us at **(603)528-5540** with any questions regarding this engagement. Our Appraiser vendor website is www.GraniteStateAM.com

- **GSAM** requires all appraisal reports that are completed on behalf of **GSAM** to adhere to the independent appraisal standards as set forth in H.R 4173. Immediately contact **GSAM** at GraniteStateAM@email.com if you are subject to any adverse influences during the completion of this assignment.
- If you have any questions regarding the Scope of Work, do not hesitate to contact our Chief Appraiser, William J. McLean, III prior to writing up the appraisal assignment at GraniteStateAM@email.com.

Decline this Engagement if:

- If, in your own independent professional judgment, you believe you do not have the necessary expertise for the assignment or the specific geographic area, notify **GSAM** immediately and/or decline the assignment; or
- You are asked to prepare an appraisal under a timeframe that you, in your own professional judgment, believe does not afford you the ability to meet all the relevant legal and professional obligations, notify **GSAM** immediately and decline the assignment.
- The special instructions section of the engagement requires a Certified Appraiser or FHA Appraiser and you do not meet those requirements, notify **GSAM** immediately and/or decline the assignment.

TIMETABLE

You are to adhere to the following timetable to complete this assignment:

1. Return a completed appraisal report no later than the due date on the appraisal order.
2. Update **GSAM** within **24 hours** of engagement acceptance to verify appointment inspection attempts.
3. The property inspection should be scheduled within **72 hours** of engagement acceptance. If you have been unable to schedule an inspection with the property contact within **72 hours**, immediately contact **GSAM**.
4. The completed appraisal report should be submitted to **GSAM** no later than **5:00 pm** on the due date. If you are unable to meet that timeline, please contact your **GSAM** Assignment Rep.
5. Rural, Unique or Complex properties may require additional time. If you feel additional time is necessary, immediately contact **GSAM** and request an extension.
6. Respond and complete all revision/addendum requests no later than **24 hours** from notice.

Should you experience an event which prohibits your ability to adhere to these timetable guidelines, please contact **GSAM**.

ENGAGEMENT GUIDELINES

1. Client: The Client for this report is named on the engagement letter. **GSAM** is not the client.
2. Property address: The address must reflect the physical address of the property. Any difference from the Engagement Letter address and/or postal address must be clearly noted and explained.
3. File Format: All reports completed in the UAD format (FHA, FHMLC, and FNMA), must be uploaded in the XML file format. The XML format is required in order to upload in the UCDF. All other non UAD assignments are to be delivered in a PDF format (8.5 x 14 or Legal Sized).
4. Comments required when guidelines are exceeded. This includes **GSAM**, **FNMA**, **Freddie Mac** and

FHA/HUD guidelines. Examples of when additional comments are needed include:

- a. Comps located outside the neighborhood
- b. Comps over 6 months old
- c. Comps exceeding 15% net and 25% gross adjustments
- d. Comp line adjustments greater than 10%.

5. Cost approach should be utilized on all newer aged properties IE: 0-10 years and when deemed appropriate and necessary for providing a reliable opinion of value. If the client requires the use of the cost approach, it will be noted in the engagement.

6. Contact **GSAM** immediately, do not continue the assignment and await further instructions, if:

- a. When making the call to the contact person, prior to scheduling the inspection appointment, ask the contact if the utilities are on. If the utilities are not on, please put the engagement on **HOLD** and notify **GSAM**.
- b. The transaction is a refinance and the subject is currently listed for sale (MLS or FSBO). (If property had been listed and has subsequently been withdrawn, you **MUST** provide a copy of the expired MLS listing with the report.)
- c. The assignment requests the completion of a 1004 form and the subject property is identified as a manufactured home. Not to be confused with a modular home.
- d. The current and or highest and best use of the subject is other than residential or different from what is indicated in the engagement. For example, the engagement letter indicates single family; however the inspection/research shows this as a commercial use.
- e. The subject represents an illegal use. Examples include: 2 family dwelling illegally converted to 3 units. Illegal kitchen in the basement. Commercial use taking place in a residential dwelling. A use not allowed by zoning.

Please **STOP** and call **GSAM**, if during the course of the appraisal investigation, it becomes obvious that conditions are present (such as market conditions, external, functional and/or physical extremes) which will render the final appraisal useless in a residential lending transaction, and you determine that you are not capable of completing the assignment due to licensure (Certified License requirements) or competency issues.

Failing to alert **GSAM** and completing the written report when conditions such as these exist, can result in a reduced fee or no fee for the assignment. Therefore, it is critical to contact us prior to the completion of the assignment when encountering any of the above property instances.

7. Deferred Maintenance and Repairs: The report must include an itemized list of repairs and estimated cost to cure.

8. Photos:

- a. Subject Photos: Front and rear of the dwelling. Street scene photo to include a portion of the subject site.
- b. Interior/Exterior photos are required on any:
 - i. Physical or functional obsolescence, Condition deficiencies, Structural damage or repairs needed.
 - ii. Any significant structures, views that impact value or out buildings (ex: barns, detached garage, large storage sheds, paddocks, etc) must also be documented by photos.
- c. Interior photos: (kitchen, main living area, bedrooms, all baths, and unique components) any recent updates, such as restoration, remodeling & renovation, if present, are required.
- d. Comparable Photos:
 - i. Photos depicting the front view of each comparable sale utilized must be those taken by the appraiser. The photos taken by the appraiser are considered evidence of compliance with the Scope of Work of having inspected each comparable sale from the street. Use of MLS photos to exhibit comparable condition at the time of sale is acceptable; however, the appraiser must include their photos as well to document compliance.

9. All Appraisal reports need to contain an appraiser competency statement, indicating that you are

knowledgeable of the geographic locale, have access to the local MLS for where the property is located and have appraised other properties in the overall location.

10. Provide a map of the subject property and all comparables (Location Map) and/or rental comparables (if applicable)

11. Please provide a site value; regardless of whether or not the report requires that the cost approach to be completed.

12. If the appraisal is a Purchase Transaction, the P&S must be attached to the report.

13. Please attach a signed **Appraisal Independence Certification** to each report. If you cannot locate one within your appraisal software, we have also provided a PDF version with each order.

14. Please include your invoice in the appraisal report.

GSAM expects the appraisal report to adhere to the above instructions, as well as the development and reporting requirements of The Uniform Standards of Professional Appraisal Practice (USPAP), and The Appraisal Independence Standards set forth by H.R 4173. In accepting this assignment you are hereby agreeing to the terms and conditions for this assignment as outlined above.

If you have any questions relative to this assignment, please contact us.

Thank you,

William J. McLean, III and Carolyn Drew
Granite State Appraisal Management